**BEFORE THE ADJUDICATING OFFICER**
**SECURITIES AND EXCHANGE BOARD OF INDIA**
**[ADJUDICATION ORDER NO. ORDER/BM/DS/2024-25/30275-30276]**

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**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992, AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995**

IN THE MATTER OF

| Noticee | Name |
|---|---|
| 1 | **Intensive Fiscal Services Private Limited (PAN: AAACI2540J)** |
| 2 | **Mr. D K Surana (PAN: AAPPS4537H)** |

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## BACKGROUND:

1. Securities and Exchange Board of India (hereinafter being referred to as "**SEBI**") conducted inspection of the activities carried out by Intensive Fiscal Services Private Limited (hereinafter referred to as "**the Company**"/ "**IFSPL**" / "**Noticee 1**") as a merchant banker, during the period beginning April 01, 2021 to June 30, 2023 (hereinafter referred to as the "**inspection period**" / "**IP**"). The inspection was carried out on August 17-18, 2023. During the inspection, it was observed that there were non-compliances of provisions of SEBI (Certification of Associate Person in the Securities Market) Regulations, 2007 (hereinafter referred to as "**CASM Regulations, 2007**"), SEBI (Merchant Bankers) Regulations, 1992 (hereinafter referred to as "**Merchant Bankers Regulations, 1992**") and relevant SEBI Notifications by Noticee 1 and its Chairman, MD and former Compliance Officer, Mr. D K Surana (hereinafter referred to as "**Noticee 2**") (Noticee 1 and Noticee 2 hereinafter being collectively referred to as "**Noticees**").

2. In view of the above, SEBI initiated adjudication proceedings under the provisions of Section 15HB of the SEBI Act, 1992 against the Noticees for the aforementioned alleged violations.

## APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as the Adjudicating Officer (**"AO"**) vide Order dated March 14, 2024, under Section 15-I of the SEBI Act, and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act, 1992, the violations alleged against the Noticees.

## SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notice no. EAD/BM/DS/11122/1/2024 dated March 19, 2024 (hereinafter referred to as "**SCN**") was issued by the undersigned to the Noticees via Speed Post Acknowledgement Due (SPAD) and digitally signed e-mail under the provisions of Rule 4(1) of the Adjudication Rules and section 15-I of the SEBI Act, calling upon the Noticees to show cause as to why an inquiry should not be held against them for the alleged violation of provisions of CASM Regulations, 2007 and Merchant Bankers Regulations, 1992 and relevant SEBI Notifications and why penalty, if any, should not be imposed on them under Section 15HB of the SEBI Act, 1992.

5. The allegations levelled against the Noticees are as under:
   5.1. During the IP, following persons were Key Managerial Personnel (KMPs) of Noticee 1.
      5.1.1. Mr. D K Surana (Chairman, MD and Compliance Officer) (Noticee 2)
      5.1.2. Mrs. Susheela Dhirendra Surana (Director)
   5.2. It was observed that both the KMPs were not possessing NISM Series IX Merchant Banking certification at any point of time during the inspection period. Upon perusal, it was found that Noticee 2 was not holding NISM Series

IX Certification for the period beginning March 25, 2015 till September 25, 2023.

5.3. It was also observed from the submisisons of Noticee 2 vide email dated November 24, 2023 that he, being compliance officer of Noticee 1, did not hold "NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Continuing Professional Education" certificate at any point of time during the period beginning March 25, 2014 till September 25, 2023.

5.4. Therefore, it was alleged that Noticee 2, by not holding NISM Series III-A and NISM IX certifications, while being the KMP and compliance officer of Noticee 1, has violated the provisions of SEBI notification dated March 11, 2013 and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007.

5.5. In view of the aforesaid, it was also alleged that Noticee 2, being compliance officer of Noticee 1, as required under Regulation 28A(2) of Merchant Bankers Regulations, 1992, did not immediately and independently report to the Board regarding his own non-compliance of CASM Regulations, 2007, even at the time of inspection.

5.6. With respect to Noticee 1, which employed the KMPs including Noticee 2, it was alleged that it had failed to ensure that Noticee 2 obtains requisite NISM certification by passing NISM Series III-A Certification and NISM Series IX Merchant Banking certification within two years from the date of the notifications dated March 11, 2013 and August 02, 2013, respectively leading to violation of SEBI notification dated March 11, 2013 as well as August 02, 2013 read with Regulation 3 of CASM Regulations, 2007. Further, these alleged non-compliance by Noticee 1 have resulted in the violation of Regulation 9A(1)(e) of the Merchant Bankers Regulations, 1992 which stipulates that a merchant banker shall abide by the regulations made under the Act, i.e. including Merchant Bankers Regulations, 1992 and CASM Regulations, 2007, in respect of the activities carried on by it as merchant banker.

6. Vide letter dated March 27, 2024, the Noticees made common submissions, which are summarized as under:

   6.1. *The Noticees are cognizant of the importance of upholding the regulatory standards and have always strived to maintain a highly compliant environment at IFSPL. While non-compliance with the regulatory requirements, even though it may have been inadvertent and technical in nature, is not an excuse, Noticee 2, in leading IFPSL in his capacity as the Chairman and Managing Director, has ensured that IFSPL strives to conduct its activities in compliance with the applicable rules, regulations and legal framework.*

   6.2. *Mr. D K Surana (i.e., Noticee 2) is a Chartered Accountant (since 1992) and holds a Diploma in System Audit since 2004. He has vast experience of more than 3 decades in the capital markets industry, on account which he is well versed with the conduct of merchant banking activities. Accordingly, while the erstwhile Compliance Officer i.e., Noticee 2, may not have held the NISM Certification as specified, given his qualifications, knowledge and experience in the capital markets industry, in essence and substance, he was indeed well equipped to fulfil the obligations of a compliance officer under the MB Regulations.*

   6.3. *In so far as the failure to obtain the certification is concerned, the same was on account of an inadvertent oversight. However, upon discovery of the default during Inspection, the Noticees immediately took remedial measures*

   6.4. *While Noticee 2 continues to be competent to discharge the role of the Compliance Officer of IFSPL, to comply with the regulatory requirement in letter, Mr. Shrenik Surana was appointed as the Compliance Officer of IFSPL on September 26, 2023. He obtained the requisite NISM Series III-A and NISM IX certifications on September 27, 2023, in line with the requirements specified under SEBI notification dated March 11, 2013, and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007.*

6.5. *Noticees have also put in place necessary measures and processes to ensure that all future certification requirements are complied with within the prescribed time and such instances of non-compliance do not recur in the future.*

6.6. *Neither of the Noticees has obtained any disproportionate gain or advantage specifically on account of any of the allegations set out in the Notice. Moreover, it is not SEBI's case that the Noticees have made disproportionate gains or have taken unfair advantage in the securities market through their conduct.*

6.7. *Non-compliance with the certification requirements under CASM Regulations and consequent breach of MB Regulations, has not caused any loss to the investors in any manner nor impacted their interests. Moreover, it is not SEBI's case that the Noticees have caused loss to the investors/ their clients.*

6.8. *Neither of the Noticees have committed any 'repetitive default' and have not been subject to similar adverse findings in this regard in the past. The Noticees have always acted in good faith, strived to be in full compliance with the applicable regulatory framework and have at all times cooperated in good faith with SEBI.*

6.9. *In this regard, judicial precedents present a view that in cases where non-compliance is technical or venial in nature, while the law may entitle the regulatory authority to impose a penalty, a penalty need not necessarily be imposed. In this regard, the Noticees referred to and relied upon the judgement of Hon'ble Supreme Court in Hindustan Steel Ltd. v. State of Orissa [AIR 1970 SC 253] and judgement of Hon'ble SAT in the matter of Reliance Industries Limited ([2004] SAT 68).*

6.10. *Noticees requested to take into consideration, SEBI Orders in the matter of Swastika Investmart Limited (ORDER/NH/RJ/2023-24/30078 dated March 12, 2024) and Paisabazaar Marketing & Consulting Pvt Ltd (Order/SM/AS/2023-24/29707-29706 dated October 30, 2023), which are of* *similar nature, while deciding the quantum of penalty to be levied for this venial default.*

7. Vide letter dated March 28, 2024, hearing notice was issued to the Noticees to provide opportunity of personal hearing in the interest of natural justice. Noticees were advised to appear before the undersigned on April 10, 2024. Noticee 2 appeared personally, on behalf of himself and Noticee 1, for the scheduled hearing on April 10, 2024. Noticee 2 reiterated the submissions already made vide letter dated March 27, 2024. Noticee 2 also made additional submissions, which were submitted by it through email on April 10, 2024. Noticee 2 submitted that the Company has handled six main board and one SME issue between September, 2015 and March, 2024. It has received nine complaints on SEBI SCORES portal after August 02, 2015, out of which four were withdrawn by the complainants, and remaining five complaints were resolved in timely manner. As on April 10, 2024, no complaints were pending to be resolved.

**ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS**

8. After perusal of the material available on record, I find that following issues require consideration in the present case.

   ISSUE I: Whether the Noticees have violated the provisions of SEBI notifications dated March 11, 2013 and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007? Whether Noticee 1 has also violated the provisions of Regulation 9A(1)(e) of Merchant Bankers Regulations, 1992? Whether Noticee 2 has also violated the provisions of Regulation 28A(2) of Merchant Bankers Regulations, 1992?

   ISSUE II: Does the violation, if any, on part of the Noticees attract penalty under Section 15HB of the SEBI Act, 1992?

   ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

9. Before moving forward it is pertinent to refer to the relevant provisions of CASM Regulations, 2007, Merchant Bankers Regulations, 1992 and SEBI notifications dated March 11, 2013 and August 02, 2013 which read as under:

***SEBI (Merchant Bankers) Regulations, 1992***

*Conditions of registration.*

*9A. (1) Registration granted under regulation 8 shall be subject to the following conditions, namely:—*

*(a) …*

*(b) …*

*(c) …*

*(d) …*

*(e) it shall abide by the regulations made under the Act in respect of the activities carried on by it as merchant banker.*

*Appointment of compliance officer.*

*28A. (2) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him and ensure that the observations made or deficiencies pointed out by the Board on/in the draft prospectus or the letter of offer as the case may be, do not recur.*

***SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007***

*Obligation to obtain certificate*

*3. (1) The Board may by notification in the Official Gazette require such categories of associated persons to obtain requisite certificate for engagement or employment with such classes of intermediaries and from such date as may be specified in the notification:*

*Provided that an associated person employed or engaged by an intermediary prior to the date specified by the Board may continue to be employed or engaged by the intermediary if he obtains the certificate within two years from the said date.*

*(2) An associated person on being employed or engaged by an intermediary on or after the date specified by the Board shall obtain the certificate within one year from the date of being employed or engaged by the intermediary.*

*(3) An associated person who, as on the date specified by the Board, holds a certificate for a category as recognized by the Board shall not be required to obtain a fresh certificate for the same category during the validity of such certificate.*

*(4)The Board for the purpose of issuing notification under sub regulations (1) and (2) shall take into consideration:*

*(a)whether the associated person as part of his work or operation deals or interacts with the investors, issuers or clients of intermediaries;*

*(b)whether the associated person deals with assets or funds of investor or clients;*

*(c)whether the associated person handles redressal of investor grievances;*

*(d)whether the associated person is responsible for internal control or risk management;*

*(e)whether the associated person is responsible for compliance of any rules or regulations;*

*(f)whether the associated person is engaged in activities that have a bearing on operational risk of the intermediary.*

*<u>SEBI Notification dated March 11, 2013 – Notification under Regulation 3 of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007</u>*

*No. LAD-NRO/GN/202-13/33/1103 - In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons* *in the Securities Markets) Regulations, 2007 (the Regulations), the Board may require, by notification, any category of associated persons as defined in the Regulations to obtain requisite certification(s).*

*Accordingly, it is notified that with effect from the date of this notification, the associated persons functioning as compliance officers of intermediaries registered with the Board as stock brokers, or depository participants, or merchant bankers, or underwriters, or bankers to the Issue, or debenture trustees or credit rating agencies, shall obtain certification from the National Institute of Securities Markets (hereinafter referred to as "NISM") by passing the NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (hereinafter referred to as "SICCE") as mentioned in the NISM communiqué No. NISM/Certification/Series-III A: SIC/2013/01 dated January 7, 2013.*

*All such intermediaries shall ensure that associated persons functioning as compliance officers as on the date of this notification obtain certification by passing SICCE within two years from the date of this notification…*

*…*

*SEBI Notification dated August 02, 2013 - Notification under Regulation 3 of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007*

*…*

*Accordingly, it is notified that with effect from the date of this notification, Merchant Bankers registered with the Board shall ensure that at least two associated persons designated as Key Management Personnel, who,-*

*a. …*

*b. …*

*c. …*

*d. act as designated Compliance Officer dealing with the activities mentioned in (a) above;*

*e. …*

*shall obtain certification from the National Institute of Securities Markets (hereinafter referred to as 'NISM') by passing the NISM-Series-IX: Merchant Banking Certification Examination (hereinafter referred to as 'MBCE') as mentioned in the NISM communiqué No. NISM/Certification/NMD/Series-IX: MB/2013/01 dated March 6, 2013 within two years from the said date of notification:*

## FINDINGS

10. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder:

**ISSUE I. Whether the Noticees have violated the provisions of SEBI notifications dated March 11, 2013 and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007? Whether Noticee 1 has also violated the provisions of Regulation 9A(1)(e) of Merchant Bankers Regulations, 1992? Whether Noticee 2 has also violated the provisions of Regulation 28A(2) of Merchant Bankers Regulations, 1992?**

11. I note that during the inspection period, Noticee 2 and Mrs. Susheela Dhirendra Surana (Director) were Key Managerial Personnel (KMPs) of Noticee 1. Noticee 2 was also Chairman, Managing Director and compliance officer of Noticee 1 during the inspection period. Noticee 2 was the compliance officer of Noticee 1 from March 25, 2013 till September 25, 2023.

12. It was observed that Noticee 2, being compliance officer of Noticee 1, had not obtained NISM Series III-A and NISM IX certifications, while being KMP of Noticee 1.

NISM Series IX Merchant Banking certification

13. As per Regulation 3(2) of CASM Regulations, 2007, an associated person (i.e. KMP / compliance officer), on being employed or engaged by an intermediary on or after the date specified by SEBI, shall obtain the certificate within one year from the date of being employed or engaged by the intermediary. Further, an associated person employed or engaged by an intermediary prior to the date specified by the Board may continue to be employed or engaged by the intermediary if he obtains the certificate within two years from the said date. In terms of the requirement of the SEBI notification dated August 02, 2013, at least two associated persons designated as KMPs are required to obtain NISM Series IX Merchant Banking certification.

14. It was observed that with respect to Intensive Fiscal Services Private Limited (Noticee 1), both the KMPs, i.e. Noticee 2 and Mrs. Susheela Dhirendra Surana (Director) were not possessing NISM Series IX Merchant Banking certification at any point of time during the inspection period. Upon further perusal, it was observed that Noticee 2 was not holding NISM Series IX Certification for the period beginning March 25, 2015 till September 25, 2023.

15. In this regard, the Noticees have admitted that the certification was not taken by the KMPs on account of an inadvertent oversight.

16. I note that Noticee 2 was compliance officer of Noticee 1 since March 25, 2013. Thus, in terms on SEBI Notification dated August 02, 2013 read with regulation 3(2) of CASM Regulations, 2007, Noticee 2 was an associated person and he was required to obtain NISM Series IX Merchant Banking certification within two years from the date of the aforesaid notification, i.e. by March 24, 2015. However, admittedly, Noticee 2 did not obtain the said certification at any point of time during his tenure as compliance officer, i.e. till. Therefore, I find that Noticee 2 has violated

the provisions of SEBI Notification dated August 02, 2013 read with regulation 3(2) of CASM Regulations, 2007.

<u>"NISM Series III-A: Securities Intermediaries Compliance (Non-Fund) Continuing Professional Education" (SICCE) Certification Examination</u>

17. As per SEBI notification dated March 11, 2013 read with Regulation 3 of CASM Regulations, 2007, associated persons functioning as compliance officers of the intermediaries registered with SEBI as merchant bankers, shall obtain certification from National Institute of Securities Markets ("NISM") by passing "NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Continuing Professional Education" Certification Examination within one year from the date of their employment. Further, associated persons functioning as compliance officers as on the date of this notification are required to obtain the SICCE certification within two years from the date of this notification.

18. It was observed that Noticee 2 was not possessing NISM-Series-III A: SICCE certification at any point of time during the inspection period. Upon further perusal, it was observed that Noticee 2 was not holding NISM-Series-III A: SICCE certification for the period beginning March 25, 2014 till September 25, 2023.

19. In this regard, the Noticees have admitted that the certification was not taken by Noticee 2 on account of an inadvertent oversight.

20. I note that Noticee 2 was compliance officer of Noticee 1 since March 25, 2013. Thus, in terms on SEBI Notification dated March 11, 2013 read with regulation 3(2) of CASM Regulations, 2007, Noticee 2 was an associated person and he was required to obtain NISM-Series-III A: SICCE certification within one year from the date of the aforesaid notification, i.e. by March 24, 2014. However, admittedly, Noticee 2 did not obtain the said certification at any point of time during his tenure

as compliance officer. Therefore, I find that Noticee 2 has violated the provisions of SEBI Notification dated March 11, 2013 read with regulation 3(2) of CASM Regulations, 2007.

Role of Noticee 1

21. I note that Noticee 1 has failed to ensure that its KMPs obtain the NISM Series IX Merchant Banking certification within the specified time. I also note that Noticee 1 has failed to ensure that Noticee 2, being its compliance officer and associated person, obtains the NISM-Series-III A: SICCE certification within the specified time. Therefore, I find that Noticee 1 has also violated the provisions of SEBI Notification dated August 02, 2013 and SEBI Notification dated March 11, 2013 read with regulation 3(2) of CASM Regulations, 2007. Further, this violation of Noticee 1 has led to violation of Regulation 9A(1)(e) of the Merchant Bankers Regulations, 1992 which stipulates that a merchant banker shall abide by the regulations made under the Act, i.e. including Merchant Bankers Regulations, 1992 and CASM Regulations, 2007, in respect of the activities carried on by it as merchant banker.

Role of Noticee 2 as Compliance Officer

22. As per Regulation 28A(2) of Merchant Bankers Regulations, 1992, the compliance officer shall immediately and independently report to the Board any non-compliance observed by him.

23. As detailed in foregoing paragraphs, Noticee 2 failed to comply with the provisions of SEBI notification dated March 11, 2013 and SEBI notification dated August 02, 2013 read with Regulation 3 of CASM Regulations, 2007. It was observed that Noticee 2 did not independently report to the Board regarding his own non-compliance of CASM Regulations, 2007.

24. Therefore, I find that Noticee 2 has violated the provisions of regulation 28A(2) of Merchant Bankers Regulations, 1992.

25. Noticees have submitted that Noticee 2 is a chartered accountant and has vast experience in capital markets. While not obtaining the NISM certifications was an inadvertent oversight, Noticee 2 was adequately competent to fulfill his duties as compliance officer and KMP. The violations are merely technical in nature. Further, as soon as the violation was brought to their notice, Noticee 2 ceased to be compliance officer of Noticee 1 with effect from September 25, 2023 and subsequently, on September 26, 2023, Mr. Shrenik Surana was appointed as compliance officer of Noticee 1. Mr. Shrenik Surana obtained both the certifications on September 27, 2023. This demonstrates how Noticees have always strived to be highly compliant with the applicable laws.

26. I note that Noticee 2 has not taken any of the required NISM certifications even once during his tenure of more than 10 years as compliance officer and KMP of Noticee 1. The CASM Regulations, 2007 mandate obtaining the specified certifications from NISM, irrespective of the qualifications and experience of the associated persons.

27. Further, I note from the observation made by SAT in the matter of Akriti Global Traders Ltd. Vs. SEBI, decided on 30.09.2014, that *"… Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay.."*. In view of the same, I am not inclined to accept said contentions of the Noticees.

28. From the foregoing paragraphs, I conclude that Noticees have violated the provisions of SEBI notifications dated March 11, 2013 and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007. Also, Noticee 1 has also violated the provisions of Regulation 9A(1)(e) of Merchant Bankers Regulations, 1992 and Noticee 2 has violated the provisions of Regulation 28A(2) of Merchant Bankers Regulations, 1992.

**ISSUE II: Does the violation, if any, on part of the Noticees attract penalty under Section 15HB of the SEBI Act, 1992?**

29. The provisions of Section 15HB of the SEBI Act, 1992 read as under:

***SEBI Act, 1992***

*Penalty for contravention where no separate penalty has been provided.*

*15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

30. I further note that, the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361} has held that:

*"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant..............."*

31. Hence, in view of the findings as given above, I am convinced that the Noticees are liable for monetary penalty under Section 15HB of the SEBI Act, 1992 for violating the provisions stated in paragraph 29 above.

**ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?**

32. While determining the quantum of penalty under Section 15HB of the SEBI Act, 1992, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act, which reads as under:

***15J -Factors to be taken into account by the adjudicating officer***

*While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

*(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*

*(b) the amount of loss caused to an investor or group of investor/+s as a result of the default;*

*(c) the repetitive nature of the default.*

33. It is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such non-compliance by the Noticees. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors on account of non-compliance by the Noticee, nor has it been alleged by the SEBI. Further, as per the available records, it is observed that Noticees have not been penalised earlier for any of the aforesaid violations.

34. Noticee 1, being a registered intermediary, was under a statutory obligation to comply with the mandate of the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 in letter and spirit. In this regard, I note that Hon'ble SAT in the matter of Premchand Shah and Others v. SEBI, inter alia, held as under: *"...When a law prescribes a manner in which a thing is to be done, it must be done only in that manner..."*. It is compliance officer's responsibility to ensure

that all applicable provisions are being adhered to and to independently report any and all the non-compliance to the Board.

35. It has been observed that all the three KMPs of Noticee 1 have obtained NISM Series IX : Merchant Banking Certification and Mr Shrenik Surana, present compliance officer of Noticee 1, has also obtained NISM Series III-A : SICCE Certification. There have been no allegations of discrepancies observed in the documents handled by the Noticees. However, there has been violation of CASM Regulations, 2007 and Merchant Bankers Regulations, 1992, which calls for imposition of appropriate penalty.

**ORDER**

36. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act, 1992 and also taking into account judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act and Rule 5 of the Adjudication Rules, hereby impose following penalty under Section 15HB of the SEBI Act, 1992 upon the Noticees. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees.

| Name of Noticee | Violation provisions | Penalty |
|---|---|---|
| Intensive Fiscal Services Private Limited (Noticee 1) | SEBI notifications dated March 11, 2013 and August 02, 2013, read with Regulation 3 of CASM Regulations, 2007 and Regulation 9A(1)(e) of Merchant Bankers Regulations, 1992 | ₹ 3,00,000/- (Rupees Three Lakh only) to be paid jointly and severally. |
| Mr. D K Surana (Noticee 2( | SEBI notifications dated March 11, 2013 and August 02, 2013, read with Regulation | |

| Name of Noticee | Violation provisions | Penalty |
|---|---|---|
| | 3 of CASM Regulations, 2007 and 28A(2) of Merchant Bankers Regulations, 1992 | |

37. Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT → Orders → Orders of AO → PAY NOW. In case of any difficulties in payment of penalties, Noticees may contact the support at portalhelp@sebi.gov.in.

38. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees.

39. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees, and also to the Securities and Exchange Board of India.

**Place: Mumbai** **BARNALI MUKHERJEE**

**Date: April 16, 2024** **ADJUDICATING OFFICER**